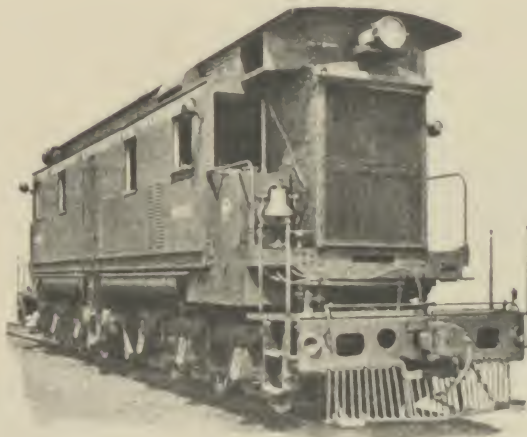


The Baldwin Locomotive Works

Standard Steel Works Co.

PHILADELPHIA, PA., U. S. A.



Baldwin Oil-Electric Locomotive, 1925

Report

DECEMBER 31, 1925

BOARDS
621.3
1931

Fifteenth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

December 31, 1925

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

THOMAS S. GATES, Chairman	Philadelphia
WILLIAM L. AUSTIN	Rosemont, Pa.
SAMUEL M. VAUCLAIN	Rosemont, Pa.
SAMUEL F. PRYOR	New York City
WILLIAM E. COREY	New York City
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
HAROLD T. WHITE	New York City
THOMAS G. ASHTON	Philadelphia
ARTHUR W. SEWALL	Philadelphia
JOHN M. HANSEN	Pittsburgh

OFFICERS

SAMUEL M. VAUCLAIN	President
JOHN P. SYKES	Senior Vice-President in Charge of Plants and Manufacture
WILLIAM DE KRAFFT	Vice-President in Charge of Finance, and Treasurer
GRAFTON GREENOUGH	Vice-President in Charge of Domestic Sales
F. DE ST. PHALLE	Vice-President in Charge of Foreign Sales
JAMES MCNAUGHTON	Vice-President in Charge of the New York Office
CHARLES A. BOURGEOIS	Vice-President in Charge of Manufacture
JACQUES L. VAUCLAIN	Vice-President in Charge of Plant and Equipment
HARRY GLAENZER	Vice-President in Charge of Engineering
WILLIAM A. RUSSELL	Vice-President in Charge of Purchases
HENRY V. WILLE	Consulting Vice-President Concerning Engineering and Metallurgy
ARTHUR L. CHURCH	Secretary and Assistant Treasurer
A. B. EHST	Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

500 North Broad Street, Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Philadelphia Trust Company, 415 Chestnut Street
IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting Annuities, 517 Chestnut Street
IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

REPRESENTATIVES AND AGENTS

Boston, Mass.	HENRY BARTLETT	185 Devonshire Street
Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
Houston, Texas	RUSSELL A. HEY	1108-9 Second National Bank Building
New York, N. Y.	JAMES McNAUGHTON	120 Broadway
Pittsburgh, Pa.	CHAS. E. HALE	375 Union Trust Bldg.
Portland, Ore.	A. J. BEUTER	313 Northwestern Bank Building
Richmond, Va.	G. F. JONES	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1210 Boatmen's Bank Bldg.
St. Paul, Minn.	HENRY BLANCHARD	908 Merchants National Bank Building
San Francisco, Cal.	WILLIAMS, DIMOND & Co.	310 Sansome Street
City of Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F.
Africa	L. M. MCKUNE	P. O. Box 7017, Johannesburg, South Africa
Argentina	WALLACE R. LEE	185 Paseo Colon, Railway Bldg., Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia

Brazil	C. F. DODSON	Caixa Postal 350, Rio de Janeiro
"	CORY BROS. & Co., LTD.	Caixa Postal 38, Bahia Caixa Postal 39, Pernambuco
"	HOLDEN & Co.	Caixa Postal 68, Para
Chile	WALLACE R. LEE	Casilla 109 D, Santiago
China	ANDERSEN, MEYER & Co., LTD.	Shanghai and Peking
Colombia	A. B. HARDIE	Apartado 143, Bogota
Cuba and Jamaica	G. R. PEREZ	520 National Bank of Cuba Bldg., Havana, Cuba
Hawaiian Islands	C. BREWER & Co., LTD.	Honolulu, T. H.
India	F. T. SLAYTON	Post Box 2080, 5 Dalhousie Sq. Calcutta
Japan	SALE & FRAZAR, LTD.	Tokio
London	J. D. ROGERS	34 Victoria Street, London, S. W. 1.
New Zealand	PHILIPS & PIKE	Box 366, Wellington
Paris	PAUL NEGRIER	14 Rue Duphot
Peru	R. C. TINSLEY	Apartado 1417, Lima
Philippines	PACIFIC COMMERCIAL Co.	Manila
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & Co., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway

PLANTS

PHILADELPHIA AND EDDYSTONE
PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

WILLIAM L. AUSTIN	Rosemont, Pa.
SAMUEL M. VAUCLAIN	Rosemont, Pa.
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ARTHUR W. SEWALL	Philadelphia
THOMAS S. GATES	Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN	President
JOHN P. SYKES	Senior Vice-President in Charge of Plant and Manufacture
WILLIAM DE KRAFFT	Vice-President in Charge of Finance, and Treasurer
A. A. STEVENSON	Vice-President in Charge of Manufacture
RICHARD SANDERSON	Vice-President in Charge of Sales
WILLIAM A. RUSSELL	Vice-President in Charge of Purchases
HENRY V. WILLE	Consulting Vice-President Concerning Engineering and Metallurgy
ARTHUR L. CHURCH	Secretary
A. B. EHST	Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

**To the Stockholders of
The Baldwin Locomotive Works**

Throughout the year difficulty was experienced in obtaining, at any price, sufficient business to operate our workshops and maintain an irreducible minimum organization.

Trade relations with foreign countries were sustained and improved.

Workshops and machinery have been fully maintained and the transfer of equipment and operations from our Works in Philadelphia to Eddystone continued.

Your Management considers the outlook favorable for a satisfactory business throughout the year 1926.

S. M. VAUCLAIN,
President.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1925

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	13,616,163.36	365,229.92	\$15,000.00	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	40,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,057.99	9,444,641.91	3,960,854.87	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	2,888,118.36	1,400,000.00	6,905,722.30	\$15,800,000.00	55,346.52
1918	123,179,251.99	18,262,112.05	15,009,816.51	1,400,000.00	1,852,295.54	.....	1,907,642.06
1919	84,307,776.72	8,871,243.30	3,095,000.00	2,100,000.00	3,676,243.30	970,527.60	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,978,751.03	2,800,000.00	1,628,518.72	2,830,505.69	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	.....	13,257,533.84
1922	33,087,238.62	6,765,514.43	5,206,519.05	2,800,000.00	2,406,519.05	3,266,725.00	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	.....	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00†	1,320,026.77	2,800,000.00‡	18,367,288.97
1925	27,876,064.14	196,563.95	.....	2,800,000.00†	196,563.95	2,800,000.00§	15,763,832.92
	\$795,107,999.12	\$98,575,845.03		\$30,800,000.00			

* Deficit

† From Reserves

‡ For Dividends 1925

§ For Dividends 1926

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations for the Year Ending
December 31, 1925

Sales	\$27,876,064.14
Cost.....	30,235,689.61
<hr/>	
Manufacturing Profit.....	\$2,359,625.47*
Other Income.....	3,373,262.89
<hr/>	
Gross Profit.....	\$1,013,637.42
Deduct Other Expenses, etc.	817,073.47
<hr/>	
Profit.....	\$196,563.95

(Subject to revision to meet any changes in interpretation of Federal Tax Laws,
Regulations or Rulings.)

*Loss

THE BALDWIN LOCOMOTIVE WORKS

Balance Sheet, December 31, 1925

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK:	
Land and Buildings	\$15,663,094.37	Preferred	\$20,000,000.00
Machinery and Fixtures	13,711,921.22	Common	20,000,000.00
			\$40,000,000.00
	\$29,375,015.59		
INVESTMENTS:		FIRST MORTGAGE BONDS	
Standard Steel Works Co.	7,041,501.31		10,000,000.00
Chicago Plant	418,577.76		
Dwelling House	5,880.00		
	7,465,959.07		
CURRENT ASSETS:		CURRENT LIABILITIES:	
Inventories	8,037,934.72 ✓	Accounts Payable	\$3,371,201.78
Accounts Receivable	8,798,474.97 ✓	Depositors' Saving Fund	1,659,848.08
Bills Receivable	2,862,050.85 ✓	Bills Payable	2,000,000.00
Miscellaneous Securities	3,030,867.72		7,031,049.86
Republic of Poland Bonds (5%) ..	3,890,000.00		
Roumanian Treasury Notes (7%) ..	976,751.00		
Argentine State Rys. (Notes)	7,107,850.00		
Mexican Govt. Rys. (Notes)	1,860,793.43	INTEREST:	
Chinese Govt. (Kinhau Ry.)	1,485,000.00	Accrued Interest on Bonds	\$ 83,334.00
Republic of Colombia (Notes)	267,644.90	Interest Received in Advance	286,856.67
Cash	2,263,292.93		370,190.67
	40,580,660.52		
DEFERRED CHARGES:		SURPLUS AND RESERVES:	
Engineers, etc.	45,159.68	Deferred Profit	\$3,011,222.84
Advances to Agents	113,462.29	Dividends, 1926	2,800,000.00
	158,621.97	Removals and Taxes	1,529,535.86
SINKING FUND:		Total Reserves	\$7,340,758.70
First Mortgage Bonds	2,925,575.00	Surplus	15,763,832.92
	\$80,505,832.15		23,104,591.62
			\$80,505,832.15

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

STANDARD STEEL WORKS COMPANY

Balance Sheet, December 31, 1925

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK	
Land and Buildings	\$2,846,955.52	FIRST MORTGAGE BONDS	\$6,000,000.00
Machinery and Fixtures	7,208,624.30		1,438,000.00
	<u>\$10,055,579.82</u>	CURRENT LIABILITIES:	
CURRENT ASSETS:		Accounts Payable	\$767,639.66
Inventories	\$1,774,590.69	Bills Payable	1,000,000.00
Accounts Receivable	897,969.90	Saving Funds	152,520.02
Bills Receivable	5,906.95		<u>1,920,159.68</u>
Marketable Securities	2,841.25	RESERVES:	
Cash	46,993.24	Income Taxes	487,932.71
	<u>\$2,728,302.03</u>		
SINKING FUND:		SURPLUS:	
1st Mortgage Bonds	38,000.00	December 31, 1924	2,730,149.42
	<u>\$12,821,881.85</u>	Profit, 1925	\$845,640.04
		Less Dividends	600,000.00
			<u>2,975,789.46</u>
			<u>\$12,821,881.85</u>

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS AND STANDARD STEEL WORKS COMPANY

Consolidated Balance Sheet, December 31, 1925

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK:	
Real Estate, Machinery, Tools, etc.		The Baldwin Locomotive Works	
The Baldwin Locomotive Works \$29,375,015.59		\$40,000,000.00	
Standard Steel Works Company 10,055,579.82		BONDED DEBT:	
\$39,430,595.41		The Baldwin Locomotive Works	
		First Mortgage Bonds .....\$10,000,000.00	
INVESTMENTS		Standard Steel Works Co.	
		First Mortgage Bonds 1,438,000.00	
CURRENT ASSETS		11,438,000.00	
42,137,927.29		CURRENT LIABILITIES	
		7,780,174.28	
DEFERRED CHARGES:		INTEREST	
Advances, Engineers, etc.		370,190.67	
158,621.97		SURPLUS AND RESERVES	
SINKING FUND		25,526,812.48	
		2,963,575.00	
		\$85,115,177.43	
		\$85,115,177.43	

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

STOCKWELL, WILSON & LINVILL

LAND TITLE BUILDING

PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books of The Baldwin Locomotive Works and Standard Steel Works Company for the year ending December 31, 1925. In further verification of assets appearing on the books, we inspected and counted the notes receivable, securities, cash in hand, and obtained confirmation of bank balances and securities held by banks for your account.

While we did not actually count and weigh the merchandise, materials and finished stock, we inspected the inventory sheets and many of the items thereon as to price, extensions and footings thereof. The basis of valuation throughout was cost or market, whichever was lower, except that goods-in-process under sales contracts were valued at cost.

An examination of the details of the accounts receivable shows them to represent current, good book accounts, all accounts known to be bad having been charged off.

We did not make a physical inspection of the plant, but did examine the amounts added to the plant accounts during the year, and are satisfied that they constitute proper charges. Reserves have been set up by Standard Steel Works Company for Federal taxes. No depreciation of plant and machinery has been taken.

Subject to the foregoing, the consolidated balance sheet, in our opinion, represents the true financial condition of your company as of December 31, 1925.

STOCKWELL, WILSON & LINVILL
Certified Public Accountants

February 5, 1926.



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